

Farmers Home Administration Washington D.C. 20250

FmHA AN No. 2219 (1930)

February 1, 1991

SUBJECT: Soldiers' and Sailors' Civil Relief Act

TO: All State Directors and District Directors

## Purpose/Intended Outcome:

The purpose of this Administrative Notice (AN) is to clarify and replace the previous Administrative Notice on this subject. This Administrative Notice will provide guidance on a specific borrower's obligation to tenants regarding the Soldiers' and Sailors' Civil Relief Act of 1940. The term "tenant" refers to a single person, two or more co-tenants, two or more adults as one tenant household where only one person signed the lease, or one adult with minor dependents.

## Comparison With Previous AN:

This Administrative Notice replaces AN No. 2155 (1930) which was issued on October 11, 1990, and expires on September 30, 1991.

## Implementation Responsibilities:

Farmers Home Administration is required to provide tenants the benefits of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended. All borrowers are to be notified of the requirements of this Administrative Notice.

- 1. The Soldiers' and Sailors' Relief Act of 1940, was established to protect those who serve the United States in the Armed Forces. The Act applies to all persons on active duty including reserve component service members called to active duty.
- 2. A tenant, co-tenant or spouse may terminate a lease covering premises occupied as a dwelling at any time following the date of the beginning of the period of military service. The termination will be in writing and delivered to the property manager or the management firm in person or by mail, following the date of the beginning of military service (a set of appropriate military orders should accompany the termination letter). However, the lease termination will not be effective until 30 days after the first date on which the next rental payment is due. Example: Next rent payment date is March 1, termination will be effective March 30.

EXPIRATION DATE: September 30, 1991 FILING INSTRUCTION:
Preceding
FmHA Instruction 1930-C

- 3. Guardians who were not originally listed as tenants, but are so designated by the tenant or co-tenant, will be permitted to reside in the unit to care for minors while the tenant or co-tenant is absent due to military service. The term "guardian" means immediate family member, relative or friend.
- 4. The Act does not relieve the recently activated military person or that persons' household from meeting financial obligations. However, the Act does protect the soldier's dependent(s) left behind (occupying family dwellings) from undue eviction or distress.
  - a. Should eviction be necessary for violation of lease requirements, the Act provides opportunity for a stay of eviction for up to three consecutive months. Under no circumstance are borrowers entitled to take eviction matters into their own hands or to inform tenants that they must move because they no longer can afford the rent. The borrower may give the tenant notice of lease violation and termination for repeated late payment or nonpayment of rent in normal fashion, but evictions require court action. Evictions, three month stays and relief actions are within the discretion of the court. Borrowers may not evict affected tenants without prior court approval.
  - b. All tenants affected by the Soldiers' and Sailors' Civil Relief Act are to be recertified (upon receipt of their military orders) in accordance with FmHA Instruction 1930-C, in order to reflect their true rent contribution. Recertification should include all income such as severance pay, salary, reservist pay, housing allowance, etc., (Hazard duty pay is not counted). Upon completion of tenant recertification rents will be increased or decreased. Tenant recertification may be processed by the co-tenant, spouse or guardian during the period of military service.

Example: If a tenant was contributing \$275.00 (basic rent) per month towards rent, and his/her salary has decreased or increased due to leaving a previous position for military service, the new contribution towards rent may be significantly decreased or increased. If a tenant's salary decreased so low that his rent contribution falls below basic rent, the Rental Assistance (RA) allowance will have to increase. If no RA is available for the unit, the tenant, like other tenants without RA, will have to pay the basic rent.

5. Single soldiers should be encouraged to place their personal belongings and furnishings in storage because management cannot be held liable for thefts, and monthly rents would be due as scheduled. However, if a single tenant elects to leave his/her belongings in the apartment he/she should grant a power of attorney to someone, and should provide the project manager with pertinent information concerning this person. If a single person does leave his/her furniture on the premises and rent is delinquent, the borrower should make application to the court for authorization to act.

LA VERNE AUSMAN

Administrator